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Employer Identification Number:

Key District:

Dear Applicant:

We have considered your application for recognition of exemption as an organization described in section 501(c)(3) of the Internal Revenue Code. Based on the information submitted, we have concluded that you do not qualify for exemption under that section.

You were organized on [REDACTED] pursuant to the Non-Profit Corporation Act of the [REDACTED]. Your purposes are stated in your articles of incorporation, and generally, show an interest in uniting men and women in social work, for the welfare of the [REDACTED] community in the [REDACTED] metropolitan area.

At this time your only activity is the publication of a monthly newsletter which is distributed free of charge. In your newsletter you publish articles of interest to the [REDACTED] community and a few other items of significance to the general [REDACTED] community. Your newsletter operates with only one volunteer who is the Chairman of your Board of Directors. You anticipate having a paid staff, if circulation and advertising increases.

Your income will be derived primarily from the sale of advertising and from donations. You have not as yet establish rates for the publication of advertisements. Advertisers pay whatever amount they desire. Your proposed budgets indicate that you anticipate receiving approximately [REDACTED] ([REDACTED]%) percent of your income from advertising and [REDACTED] ([REDACTED]%) percent from donations.

ANALYSIS

Section 501(a) of the Internal Revenue Code exempts from federal income taxation organizations described in subsection

(c)(3). The aforementioned subsection exempts corporations organized and operated exclusively for educational purposes

Section 1.501(c)(3)-1(d)(3) of the Income Tax Regulations states that the term "educational," as used in section 501(c)(3) of the Code, relates to the instruction of the public on subjects useful to individuals and beneficial to the community.

Rev. Rul. 67-4, 1967-1 C.B. 121, holds that an organization engaged in publishing may qualify for exemption under section 501(c)(3) of the Code if (1) the content of the publication is educational, (2) the preparation of the material follows methods generally accepted as educational in character, (3) the distribution of the materials is necessary or valuable in achieving the organization's exempt purposes, and (4) the manner in which the distribution is accomplished is distinguishable from ordinary commercial publishing practices.

Rev. Rul. 77-4, 1977-1 C.B. 141 holds that a nonprofit organization, whose only activities are preparing and publishing a newspaper of local, national, and international news articles with an ethnic emphasis, soliciting advertising and selling subscriptions to that newspaper in a manner indistinguishable from ordinary commercial publishing practices, is not operated exclusively for charitable and educational purposes and does not qualify for exemption under section 501(c)(3) of the Code.

You are similar to the organization described in Rev. Rul. 77-4, supra, in that your only activities consist of preparing and publishing a newspaper, and soliciting advertising. Although you will not sell subscriptions to your newspaper, you anticipate that you will be substantially supported by selling advertisements. Thus the operation of your newspaper is indistinguishable from many ordinary publishing practices.

Accordingly, you do not qualify for exemption from federal income tax under 501(c)(3) of the Internal Revenue Code. Contributions to you are not deductible under section 170 of the Code. You must file federal income tax returns.

You have the right to protest this ruling if you believe that it is incorrect. To protest, you should submit a statement of your views, with a full explanation of your reasoning. This statement, signed by one of your principal officers, must be submitted in duplicate within 30 days from the date of this letter. You also have a right to a conference in this office after your statement is submitted. You must request the conference, if you want one, when you file your protest statement. If you are to be represented by someone who is not one of your principal officers, he or she

[REDACTED]

must file a proper power of attorney and otherwise qualify under the Conference and Practice Requirements.

If you do not protest this ruling in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Code provides, in part, that "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Claims Court, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

If we do not hear from you within 30 days, this ruling will become final and copies will be forwarded to the District Director, Baltimore, Maryland, which is your key district for exempt organization matters. Thereafter, any questions about your federal tax status or the filing of returns should be addressed to that office. If you want the matter reopened at a later time, you must pay a new user fee (see enclosed copy of Revenue Procedure 90-17). Also, the appropriate State officials will be notified of this action in accordance with section 6104(c) of the Code.

Sincerely yours,

[REDACTED]
[REDACTED]
Chief, Exempt Organizations
Rulings Branch 1

Enclosure

cc: [REDACTED]
Attn: EO Group

	:	Initiator	:	Reviewer	:	Reviewer	:	Reviewer
Code	:	[REDACTED]	:	[REDACTED]	:		:	
Surname	:	[REDACTED]	:	[REDACTED]	:		:	
Date	:	09-17-90	:	9-28-90	:		:	